



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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COMMISSIONER OF ADMINISTRATION

October 5, 2000

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2001-12

TO: All UPS Agencies

FROM: Ronald S. Mitchell
Director

SUBJECT: Section 403(b) and 501(c)(3) Tax Shelter Annuities

There are several 403(b) and 501(c)(3) tax shelter annuity codes that are set up in UPS and will be set up in the new ISIS HR system. Although the codes for these annuities are not restricted, not all agencies are eligible for this type of tax shelter. In general, only employees working for educational facilities qualify for the 403(b) and 501(c)(3) tax shelters.

Agencies should be very careful when establishing deductions for any tax shelter plan to ensure that deductions are not established in error. In UPS, the 403(b) and the 501(c)(3) annuities are identified as such in the tax shelter help menu. Please use this help function prior to establishing a deduction for a tax shelter. These codes will also be identified as 403(b) and 501(c)(3) annuities in the ISIS HR system. There will be no edits to restrict a non-qualified agency from setting up these tax shelter deductions for an employee.

Please contact Andrea Hubbard before setting up a 403(b) or 501(c)(3) tax shelter deduction to make sure that your agency is eligible and to obtain detailed instructions. There are many administrative responsibilities/duties required of agencies when an employee has a deduction for a 403(b) or 501(c)(3) tax shelter, including establishing an agency policy to limit the number of vendor choices that are offered to employees. If your agency is approached by a vendor interested in having a payroll deduction for tax shelter annuities, please call Andrea.

If you have any questions, contact Andrea Hubbard at (225) 342-0715.

RSM:APH/kmb